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12 August 1955

MEMORANDUM FOR: Assistant Director for Operations

ATTN: Chief, [ ] FOIAB3B1

SUBJECT: Educational Allowances for Foreign National Employees at [ ]

REFERENCE: 25X1A7B FOIAB3B1  
Memorandum from Chief, [ ] to Chief,  
Position Evaluation Division, dated  
1 August 1955, Subject: [ ] Foreign  
National Wage Scale 25X1A7B

FOIAB3B1 [ ] 1. This Office has examined the request of the Chief,  
25X1A7B the [ ] to increase the wages of foreign national employees at  
the [ ] to provide for costs of schooling of  
dependent children at U.S. Army schools.

2. Based upon an analysis of the current situation, I  
do not believe this action is advisable for the following  
reasons:

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a. Since the [ ] foreign national wage  
schedule may be revised downward in the near future,  
an increase now followed by a reduction later would  
appear inconsistent from a wage administration  
standpoint.

b. If the Department of State's proposed  
regulation on education allowances is published  
in its present form, staff employees at [ ] will  
receive their school allowances in the form of lump  
sum payments at the beginning of each school semester.  
Doling out a similar allowance for foreign nationals  
over a twelve month period would appear discriminatory,  
especially since the Army requires that tuition be  
paid in advance.

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c. The inclusion of education allowances in  
the wage scale would require constant administrative  
changes in the scale as children came of school  
age, were graduated or dropped from school, or as  
school costs changed.

d. Education allowances are not generally considered in determining wages. Such allowances should be treated as independent of wage or salary considerations, as has been done by the U. S. Congress in its recent approval of education allowances for U. S. employees in foreign areas, and administratively, by the DCI for [ ] "employees" in 1951, and in 1954 for Agency staff employees and staff agents.

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/s/ [ ]  
for Harrison G. Reynolds  
Director of Personnel

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